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DEPARTMENT OF COMMERCE

International Trade Administration

(A-489-822)

Welded Line Pipe from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that welded line pipe from the Republic of Turkey (Turkey) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735(a) of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is October 1, 2013, through September 30, 2014. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

DATES: Effective Date: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Alice Maldonado or David Crespo, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4682 or (202) 482-3693, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 22, 2015, the Department published the Preliminary Determination of sales at LTFV of welded line pipe from Turkey.¹ The following events occurred since the Preliminary Determination was issued.

In May and June 2015, the Department verified the sales and cost of production (COP) information submitted by the two participating mandatory respondents in this investigation, Çayırova Boru Sanayi ve Ticaret A.S./ Yücel Boru İthalat-İhracat ve Pazarlama A.S. (collectively, Çayırova) and Tosçelik Profil ve Sac Endustrisi A.S./ Tosyalı Dis Ticaret A.S. (collectively, Tosçelik), in accordance with section 782(i) of the Act.

On July 27, 2015, we requested that Tosçelik submit a revised COP database to reflect minor corrections made at verification. On August 7, 2015, we received Tosçelik's revised COP database.

We invited interested parties to comment on the Preliminary Determination. On August 6 and August 11, 2015, respectively, the petitioners,² Çayırova, and Tosçelik submitted case and rebuttal briefs.

Scope of the Investigation

The scope of the investigation covers welded line pipe, which is carbon and alloy steel pipe of a kind used for oil and gas pipelines, not more than 24 inches in nominal outside diameter. For a complete description of the scope of the investigation, see Appendix I.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice.³ A

¹ See Welded Line Pipe from the Republic of Turkey: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 80 FR 29617 (May 22, 2015) (Preliminary Determination).

² The petitioners in this investigation are American Cast Iron Pipe Company, Energex (a division of JMC Steel Group), Maverick Tube Corporation, Northwest Pipe Company, Stupp Corporation (a division of Stupp Bros., Inc.), Tex-Tube Company, TMK IPSCO, and Welspun Tubular LLC USA.

list of the issues raised is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, room B-8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

As provided in section 782(i) of the Act, in May and June 2015, we verified the sales and cost information submitted by Çayirova and Tosçelik for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by Çayirova and Tosçelik.⁴

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for Çayirova and Tosçelik. For a discussion of these changes, see the "Margin Calculations" section of the Issues and Decision Memorandum.

³ See Memorandum to Paul Piquado, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Welded Line Pipe from the Republic of Turkey" (October 5, 2015) (Issues and Decision Memorandum).

⁴ See Memorandum to the File from Alice Maldonado and David Crespo, Senior Analysts, entitled "Verification of the Sales Responses of Tosçelik Profil ve Sac Endustrisi A.S. (Tosçelik Profil) and Tosyali Dis Ticaret A.S. (Tosyali) (collectively, Tosçelik) in the Antidumping Duty Investigation of Welded Line Pipe from Turkey," dated July 16, 2015; Memorandum to the File from Alice Maldonado and David Crespo, Senior Analysts, entitled "Verification of the Sales Response of Çayirova Boru Sanayi ve Ticaret A.Ş. (Çayirova Boru) and Yücel Boru Ithalat-Ihracat ve Pazarlama A.Ş. (YIIP) (collectively, Çayirova) in the Antidumping Duty Investigation of Welded Line Pipe from Turkey," dated July 22, 2015; Memorandum to the File from Robert Greger, Senior Accountant, entitled "Verification of the Cost Response of Çayirova Boru Sanayi ve Ticaret A.Ş. in the Antidumping Duty Investigation of Welded Line Pipe from Turkey," dated June 30, 2015; and Memorandum to the File from Heidi Schrieffer and Robert Greger, Senior Accountants, entitled "Verification of the Cost Response of Tosçelik Profil ve Sac Endustrisi A.S. in the Antidumping Duty Investigation of Welded Line Pipe from Turkey," dated June 18, 2015.

In addition, we changed the dumping margin assigned to two additional mandatory respondents in this investigation, Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan Mannesmann) and Borusan Istikbal Ticaret (Borusan Istikbal). Because these companies failed to respond to the Department's questionnaire, in the Preliminary Determination, we based the preliminary dumping margin for these companies on adverse facts available (AFA), in accordance with sections 776(a) and (b) of the Act and 19 CFR 351.308. As AFA, we preliminarily assigned a rate of 9.85 percent (i.e., the petition rate). For the final determination, we assigned these companies an AFA margin of 22.95 percent, which is the highest calculated final dumping margin. For further discussion, see the Issues and Decision Memorandum at Comment 20.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated all-others rate shall be an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding any zero or de minimis margins, and margins determined entirely under section 776 of the Act. For the Final Determination, the Department calculated the “all others” rate based on a weighted average of Çayirova’s and Tosçelik’s margins using publicly-ranged quantities for their sales of subject merchandise.⁵

Final Determination

The final weighted-average dumping margins are as follows:

⁵ See Memorandum to the File from David Crespo, Senior Analyst, entitled, “Welded Line Pipe from the Republic of Turkey: Calculation of the Final Margin for All Other Companies,” dated concurrently with this memorandum (All Others Calculation Memorandum). With two respondents, we normally calculate (A) a weighted-average of the dumping margins calculated for the mandatory respondents; (B) a simple average of the dumping margins calculated for the mandatory respondents; and (C) a weighted-average of the dumping margins calculated for the mandatory respondents using each company’s publicly-ranged values for the merchandise under consideration. We compare (B) and (C) to (A) and select the rate closest to (A) as the most appropriate rate for all other companies. See Ball Bearings and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part, 75 FR 53661, 53663 (September 1, 2010).

Exporter/Manufacturer	Weighted-Average Dumping Margin (percent)
Borusan Istikbal Ticaret	22.95
Borusan Mannesmann Boru Sanayi ve Ticaret A.S.	22.95
Çayırova Boru Sanayi ve Ticaret A.S./ Yücel Boru İthalat-İhracat ve Pazarlama A.S.	22.95
Tosçelik Profil ve Sac Endustrisi A.S./ Tosyali Dis Ticaret A.S.	6.66
All Others	7.10

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of welded line pipe from Turkey, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after May 22, 2015, the date of publication of the preliminary determination of this investigation in the Federal Register.

Further, the Department will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price as shown above. If a CVD order is issued and suspension of liquidation is resumed, the Department will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceed the U.S. price as shown above, adjusted for export subsidies, as appropriate, found in the final determination of the companion countervailing duty investigation on welded line pipe from Turkey.⁶ Specifically,

⁶ The Department terminated the suspension of liquidation associated with the CVD investigation effective

consistent with our practice, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct CBP to require a cash deposit equal to the amount by which the normal value exceeds the export price or constructed export price, as indicated below, less the amount of the countervailing duty determined to constitute an export subsidy.⁷

Accordingly, if a CVD order is issued, for cash deposit purposes, we will subtract from the applicable cash deposit rate that portion of the rate attributable to the export subsidies found in the affirmative countervailing duty determination for each respondent (*i.e.*, 27.32 percent for Borusan Istikbal and Borusan Mannesman, 0.86 percent for Çayirova and all others, and 0.86 percent for Tosçelik).⁸ After this adjustment, the resulting cash deposit rates will be 0.00 percent for Borusan Istikbal and Borusan Mannesmann, 22.09 percent for Çayirova, 5.80 percent for Tosçelik, and 6.24 percent for all others. The suspension of liquidation instructions will remain in effect until further notice.

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of welded line pipe from Turkey no later

July 18, 2015. See CBP message no. 5201304 dated July 20, 2015. Therefore, until and unless suspension of liquidation is resumed, we will not adjust the AD cash deposit rate for collection of duties associated with export subsidies.

⁷ See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India, 69 FR 67306, 67307 (Nov. 17, 2004); and Notice of Final Determination of Sales at Less Than Fair Value and Negative Critical Circumstances Determination: Bottom Mount Combination Refrigerator-Freezers From the Republic of Korea, 77 FR 17413 (March 26, 2012).

⁸ See Memorandum to the File from Alice Maldonado, Analyst, entitled, “Placing Information on the Record: Export Subsidies Calculated in the Final Determination of the Countervailing Duty Investigation of Welded Line Pipe from the Republic of Turkey,” dated October 5, 2015.

than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders (APO)

This notice serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: __October 5, 2015__

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is circular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines (welded line pipe), not more than 24 inches in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling. Welded line pipe is normally produced to the American Petroleum Institute (API) specification 5L, but can be produced to comparable foreign specifications, to proprietary grades, or can be non-graded material. All pipe meeting the physical description set forth above, including multiple-stenciled pipe with an API or comparable foreign specification line pipe stencil is covered by the scope of this investigation.

The welded line pipe that is subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.5000, 7305.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. The subject merchandise may also enter in HTSUS 7305.11.1060 and 7305.12.1060. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

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